

Thomas G. RobinsonDeputy General Counsel
National Grid

February 1, 2006

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk Rhode Island Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888

RE: Docket Nos. 3706 & 3710

Responses to Record Requests 3 and 5

Dear Ms. Massaro:

Enclosed please find ten (10) copies of The Narragansett Electric Company's d/b/a National Grid ("Company") responses to Commission Record Requests 3 and 5. The Company is aware that these responses have not been filed in a timely manner. The analysis necessary to provide accurate and meaningful responses took longer than anticipated. We apologize for any inconvenience that this has caused.

Thank you for your attention to this matter. If you have any questions, please feel free to contact me at (508) 389-2877.

Very truly yours,

Thomas G. Robinson

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Enclosures

cc: Docket 3706 & 3710 Service List

THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID R.I.P.U.C. Docket No. 3706 Responses to Record Requests

Record Request 3

Request:

Referring to the transmission projects designed to enhance the bulk flow of electricity listed on Exhibit SLH-2, page 1 of 7, please indicate the projected increase in the transmission rate resulting from the recovery of costs associated with all projects expected to be completed over the next 5-10 years.

Response:

The transmission projects listed on Exhibit SLH-2, page 1 of 7 will ultimately result in an increase in annual transmission costs of approximately \$6 million above the current forecast costs included in Exhibit SLH-1 Summary, Page 1 of 1. The amount of the incremental increase in each year will depend upon the costs associated with the specific projects scheduled for completion in that year.

Prepared by or under the supervision of: Susan L. Hodgson

THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID R.I.P.U.C. Docket No. 3706 Responses to Record Requests

Record Request 5

Request:

Please explain how the variance between the 2005 forecast of transmission expenses from Docket No. 3648 to actual transmission expenses contributed to the under recovery of approximately \$7.0 million incurred for the period October 2004 through September 2005.

Response:

In reviewing the actual transmission costs incurred during the October 2004 through September 2005 reconciliation period against the forecasted transmission costs for the same period, the Company has identified certain areas in which it has incurred more costs than what had been forecasted:

- 1. \$4 million of the variance results from increased reactive power costs as billed to the Company by the ISO;
- 2. \$2 million of increased charges for PTF investment; and
- 3. \$1 million of increased charges due to non-PTF investment.

3706 - Certificate of Service

I hereby certify that a copy of the cover letter and accompanying material(s) have been hand-delivered or sent via U.S. mail to the parties listed below.

Joanne M. Scanlon National Grid

February 1, 2006 Date

Narragansett Electric Co. – Standard Offer Rate Filing – Docket No. 3706 Service list as 11/03/05

| Name/Address | E-mail Distribution | Phone/FAX |
|--|-----------------------------------|--------------|
| Laura S. Olton, Esq. | Laura.olton@us.ngrid.com | 401-784-7667 |
| Narragansett Electric Co. | Thomas.robinson@us.ngrid.com | 401-784-4321 |
| 280 Melrose St. | Ronald.Gerwatowski@us.ngrid.com | |
| PO Box 1438 | | |
| Providence, RI 02901-1438 | Joanne.scanlon@us.ngrid.com | |
| Paul Roberti, Esq. | Proberti@riag.ri.gov | 401-222-2424 |
| Dept. of Attorney General | Steve.scialabba@ripuc.state.ri.us | 401-222-3016 |
| 150 South Main St. Providence, RI 02903 | RDiMeglio@riag.ri.gov | |
| | David.stearns@ripuc.state.ri.us | |
| William Lueker, Esq. | Wlueker@riag.ri.gov | 401-222-2424 |
| Dept. of Attorney General | | 401-222-3016 |
| 150 South Main St. | | |
| Providence, RI 02903 | | |
| John Stutz | <u>Jstutz@tellus.org</u> | |
| Tellus Institute | | |
| 11 Arlington St. | | |
| Boston MA 02116-3411 | | |
| Original & nine (9) copies file w/: | Lmassaro@puc.state.ri.us | 401-941-4500 |
| Luly E. Massaro, Commission Clerk | Civilage @ eve atata ei va | 401-941-1691 |
| Public Utilities Commission | Cwilson@puc.state.ri.us | |
| 89 Jefferson Blvd. | Anault@puc.state.ri.us | |
| Warwick RI 02889 | Anadit & puc.state.ii.us | |
| W. Mark Russo, Esq. | mrusso@frlawri.com | |
| Jean Rosiello, Esq. | jeanrosiello@cox.net | |
| John Farley, Esq. | jfarley316@hotmail.com | |

3710 Certificate of Service

I hereby certify that a copy of the cover letter and accompanying material(s) have been hand-delivered or sent via U.S. mail to the parties listed below.

Joanne M. Scanlon National Grid

<u>February 1, 2006</u>

Date

Narragansett Electric Co. – Request for Dispensation of Settlement Proceeds – Docket No. 3710 Service list as 11/22/05

| Name/Address | E-mail Distribution | Phone/FAX |
|---|-----------------------------------|--------------|
| Laura S. Olton, Esq. | <u>Laura.olton@us.ngrid.com</u> | 401-784-7667 |
| Narragansett Electric Co. | Thomas.robinson@us.ngrid.com | 401-784-4321 |
| 280 Melrose St. | Ronald.Gerwatowski@us.ngrid.com | |
| PO Box 1438 | | |
| Providence, RI 02901-1438 | Joanne.scanlon@us.ngrid.com | |
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| Dept. of Attorney General 150 South Main St. | Steve.scialabba@ripuc.state.ri.us | 401-222-3016 |
| Providence, RI 02903 | RDiMeglio@riag.ri.gov | 1 |
| | David.stearns@ripuc.state.ri.us | 1 |
| William Lueker, Esq. | Wlueker@riag.ri.gov | 401-222-2424 |
| Dept. of Attorney General | | 401-222-3016 |
| 150 South Main St. | | |
| Providence, RI 02903 | | |
| John Stutz | <u>Jstutz@tellus.org</u> | |
| Tellus Institute | | |
| 11 Arlington St. | | |
| Boston MA 02116-3411 | | |
| John Farley, Executive Director | jfarley316@hotmail.com | 401-621-2240 |
| The Energy Council of RI | | 401-621-2260 |
| One Richmond Square Suite 340D | | |
| Providence, RI 02906 | | |
| B. Jean Rosiello, Esq. | jeanrosiello@cox.net | 401-751-5090 |
| 340 Olney St. | | 401-751-5096 |
| Providence, RI 02906 | | |
| Original & nine (9) copies file w/: | Lmassaro@puc.state.ri.us | 401-941-4500 |
| Luly E. Massaro, Commission Clerk | | 401-941-1691 |
| Public Utilities Commission | Cwilson@puc.state.ri.us | |
| 89 Jefferson Blvd. | Anault@puc.state.ri.us | 1 |
| Warwick RI 02889 | Anaunt@puc.state.m.us | |
| W. Mark Russo, Esq. | mrusso@frlawri.com | |
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